
SENATE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF TRANSPORTATION TO CONTINUE TO COLLABORATE WITH THE HAWAII HARBOR USERS GROUP TO IMPLEMENT PLANNED IMPROVEMENTS AND CONSTRUCTION TO IMPROVE CARGO TERMINAL AND CONTAINER FACILITIES AT HONOLULU HARBOR, KAHULUI HARBOR, AND HILO HARBOR, AND COMMENDING AND CONGRATULATING THE DEPARTMENT OF TRANSPORTATION AND THE HAWAII HARBOR USERS GROUP FOR THEIR FINE WORK IN COMPLETING THE HAWAII HARBORS USER GROUP'S REPORT.

1 WHEREAS, the Department of Transportation has jurisdiction
2 over the State's commercial harbors, as provided under section
3 266-2, Hawaii Revised Statutes, which reads in pertinent part:

4
5 The Department of Transportation shall:

6
7 Have and exercise all the powers and shall
8 perform all the duties which may lawfully be
9 exercised by or under the State relative to the
10 control and management of commercial harbors,
11 commercial harbor and waterfront improvements,
12 ports, docks, wharves, piers, quays, bulkheads,
13 and landings belonging to or controlled by the
14 State, and the shipping using the same;

15
16 and

17
18 WHEREAS, the mission of the Department of Transportation is
19 to provide a safe, efficient, accessible, and inter-modal
20 transportation system that ensures the mobility of people and
21 goods, and enhances and preserves economic prosperity and the
22 quality of life; and

23
24 WHEREAS, the Oahu Commercial Harbors 2020 Master Plan (2020
25 Master Plan) prepared by the Department of Transportation in
26 1997 states in pertinent part:



1 Hawaii depends almost entirely on the ocean shipping
 2 industry to import its essential commodities (food,
 3 clothing, fuel, building materials, automobiles, etc.)
 4 and export local products (pineapple, sugar, molasses,
 5 livestock, diversified agriculture, etc.) to and from
 6 the neighbor islands, the mainland, and various
 7 foreign countries. Developed island economies are
 8 typically dependent on ocean shipping for their
 9 sustenance.

10
 11 The importance of cargo shipping to our State cannot
 12 be overstated. This Master Plan therefore begins with
 13 the facilities and services required by the overseas
 14 cargo carriers. While the economic value of
 15 commercial fishing, ocean mining, passenger cruises,
 16 excursions and ferries, etc. cannot be denied,
 17 commercial harbor planning must first address Hawaii's
 18 life-sustaining cargo operations. The requirements of
 19 the ocean cargo carriers must be given priority.

20
21 and

22
23 WHEREAS, the 2020 Master Plan further states:

24
 25 The inter-island system of cargo distribution is the
 26 principal means by which neighbor island communities
 27 receive and export their cargo. This system has
 28 Honolulu Harbor as its hub or point of distribution
 29 and consolidation;

30
31 and

32
 33 WHEREAS, the 2020 Master Plan estimates that eighty percent
 34 of everything used or consumed in the State is imported and that
 35 over ninety-eight percent of these imported goods are shipped by
 36 sea entering the State through our commercial harbors; and

37
 38 WHEREAS, Hawaii's economic sustainability depends on the
 39 effectiveness and efficiency of berth and terminal resources
 40 throughout the State's harbor system, as well as the
 41 availability of sufficient cargo and container facilities; and

42
 43 WHEREAS, the Economic Momentum Commission, which was formed
 44 by Governor Linda Lingle on June 7, 2005 to develop an action



1 plan to sustain the State's current economic momentum over the
2 longer term made the following findings in its report dated
3 November 1, 2005:

4
5 Hawaii's port system is of primary importance to this
6 island state and to its visitors. Not only does the
7 vast majority of everything that Hawaii consumes come
8 to us via our ports, the harbors are also experiencing
9 increased use by the passenger cruise industry.

10
11 Ensuring adequate, efficient, and safe harbor
12 facilities is essential to the health and future of
13 Hawaii's economy. At present, Hawaii's harbors are at
14 capacity, and there are not adequate plans to address
15 the imminent overcrowding that will occur with the
16 advent of new users, expansion of the cruise industry,
17 and increasing cargo volumes resulting from a growing
18 economy. It is projected that Honolulu Harbor will
19 run out of space for international cargo this year and
20 for domestic cargo in 2010. Further, the last Harbor
21 Master Plan for Oahu was prepared in 1997 and the
22 needed harbor improvements have yet to be implemented
23 despite cargo volumes considerably exceeding the
24 projections in that plan. Master plans for most of
25 the neighbor island harbors do not exist;

26
27 and

28
29 WHEREAS, the Economic Momentum Commission made the
30 following recommendations:

31
32 The Commission recommends a public/private partnership
33 to pursue the immediate update and implementation of a
34 master plan that addresses all of Hawaii's commercial
35 harbors. The plan should incorporate the views of the
36 harbor users, the community, and government. It
37 should accurately forecast the future needs of all our
38 harbor users, identify appropriate harbor and port
39 improvements, and identify funding priorities and
40 funding mechanisms that assess users equitably.
41 Lastly, the plan should have specific deadlines to
42 hold the state Department of Transportation
43 accountable for results;

44



1 and

2

3 WHEREAS, the Hawaii Harbor Users Group was formed by
4 commercial harbor users to work with the Department of
5 Transportation and the legislature to improve the operations and
6 capacity of the State's commercial harbors; and

7

8 WHEREAS, Hawaii Harbor Users Group members include Matson
9 Navigation Company, Inc. (Matson); Horizon Lines, LLC; NCL
10 America Inc.; Young Brothers, Limited/Moana Pa'akai, Inc., dba
11 Hawaiian Tug & Barge; Sause Bros., Inc.; Aloha Cargo Transport;
12 McCabe, Hamilton & Renny Company, Limited; Hawaii Stevedores,
13 Inc.; Hawaii Superferry, Inc.; Tesoro Hawaii Corporation; The
14 Gas Company, LLC; and Ameron; and

15

16 WHEREAS, harbor users and members of Hawaii Harbor Users
17 Group are well aware of the growing unavailability of berth and
18 terminal resources throughout the State's harbor system; and

19

20 WHEREAS, Hawaii Harbor Users Group retained Mercator
21 Transport Group (Mercator) to review and evaluate facility
22 requirements of the State's harbor system as part of the efforts
23 of the Hawaii Harbor Users Group and its members to work with
24 and assist the Department of Transportation with planning and
25 development of port facilities; and

26

27 WHEREAS, Mercator is a consulting firm that provides
28 advisory services to companies involved in international freight
29 transportation and logistics, as well as to entities developing,
30 operating, or financing transportation/logistics infrastructure
31 and, in addition, assists government agencies and trade
32 associations regarding transportation regulation and policy
33 issues; and

34

35 WHEREAS, following a collaborative effort involving the
36 Hawaii Harbor Users Group members, Department of Transportation,
37 and Mercator, the Hawaii Harbor Users Group set forth its
38 findings and recommendations in its report, *Harbor Facility
39 Development To Serve The State of Hawaii* (the HHUG Report,
40 2006); and

41

42 WHEREAS, the Hawaii Harbor Users Group report included the
43 following statewide findings and recommendations:



- 1 (1) There are increasing demands being placed on the
2 harbor system by new business activity and growth
3 among current users;
4
- 5 (2) There is a looming shortage of port facilities on many
6 islands, brought about by rapid growth of cruise
7 traffic, the introduction of inter-island ferry
8 service and the continued growth in the transportation
9 of core commodities and consumer goods; and
10
- 11 (3) Increased cargo and cruise traffic will soon consume
12 most of the reserve capacity of the existing
13 facilities, and thereby reduce the ability of ports
14 and port users to efficiently serve the existing
15 market, respond to new service requirements, or
16 recover quickly from the natural and man-made service
17 disruptions that invariably occur;
18

19 and
20

21 WHEREAS, for Honolulu Harbor, among the most critically
22 needed improvements identified in the Hawaii Harbor Users Group
23 Report are improvements needed to increase cargo capacity in
24 this severely congested harbor, and the Hawaii Harbor Users
25 Group made the following findings:
26

- 27 (1) Container traffic has steadily increased, with an
28 average increase of about four per cent per year over
29 the ten years through 2004, but over the last four
30 years, container traffic has increased more sharply
31 and is up more than twenty six per cent versus year
32 2001 levels;
33
- 34 (2) With respect to international and long-haul domestic
35 container operations, Matson Navigation Company and
36 Horizon Lines, LLC each report that they are incurring
37 excess costs as a result of land constraints at their
38 Sand Island terminals, and both carriers/terminal
39 operators need increased terminal areas as top
40 priorities;
41
- 42 (3) Growth in domestic volumes at Sand Island terminals
43 that are already operating at high utilization levels,
44 combined with growth of international volumes



1 occurring at the Pier 1 facility, will lead to an
2 expected shortfall in total container handling
3 capacity in the coming years; and
4

- 5 (4) With respect to inter-island cargo operations:
6 Although container volume of Young Brothers, Limited
7 in 2004 was thirty eight per cent more than in year
8 2000, its operating area has not increased since it
9 moved into the terminal in 1998 (which even then was
10 four years later than the original planned occupancy
11 date), and Young Brothers, Limited is already now
12 operating at above the State's own target throughput
13 levels and absorbing the extra costs of doing so;
14

15 and
16

17 WHEREAS, with respect to Honolulu Harbor, the Hawaii Harbor
18 Users Group report made the following conclusions and
19 recommendations:
20

- 21 (1) To operate effectively and manage growing volumes, it
22 is clear that Young Brothers, Limited needs additional
23 land areas and another barge berth and loading
24 position suitable for the use of heavy lifting
25 equipment;
26
- 27 (2) With respect to international and long-haul domestic
28 container operations of Matson Navigation Company and
29 Horizon Lines, LLC: Develop new container facilities
30 to ensure there will be sufficient capacity to serve
31 growing international and long-haul domestic container
32 volumes. Based on available alternatives, development
33 of the former Kapalama Military Reservation, a 55-acre
34 parcel of land located adjacent to Pier 42, into a
35 container terminal is viewed as the preferred means to
36 meet this requirement; and
37
- 38 (3) With respect to inter-island cargo operations of Young
39 Brothers Limited: Incorporate what is commonly
40 referred to as the "Daishowa property", a 4.2 acre
41 property owned by the State and located adjacent to
42 Piers 39 and 40, into an improved inter-island cargo
43 terminal with a main container gate on Auiki Street to
44 facilitate delivery of containers coming from Sand



1 Island or Kapalama Military Reservation terminals, and
2 reinforce Pier 40E to create an additional barge
3 loading position (to be suitable for using 40-ton lift
4 equipment);

5
6 and

7
8 WHEREAS, with respect to the site known as the former
9 Kapalama Military Reservation, the Hawaii Harbor Users Group
10 Report made the following findings:

- 11
12 (1) With almost \$1,000,000 from the state Legislature, the
13 Department of Transportation in calendar year 2005
14 sought contractors to inventory existing conditions in
15 the Kapalama area, survey it for significant
16 historical features, and help start the planning and
17 redevelopment process;
- 18
19 (2) Developing Kapalama Military Reservation will increase
20 existing space for container cargo operations by
21 almost fifty per cent, at least temporarily
22 alleviating the need to develop another expensive
23 harbor somewhere in the State;
- 24
25 (3) Kapalama Military Reservation is directly across the
26 Kapalama Basin from an existing container yard for
27 Horizon Lines, which could move its entire operation
28 into the new facility, allowing Matson to expand into
29 space vacated by Horizon; and
- 30
31 (4) The 55-acre Kapalama Military Reservation site is
32 considered the ideal location for a container terminal
33 because of its relatively underused space and its
34 proximity to the Young Brothers inter-island shipping
35 terminal, allowing for cargo to be efficiently
36 transshipped to neighbor islands;

37
38 and

39
40 WHEREAS, with respect to inter-island cargo operations at
41 Honolulu Harbor, the State has acquired what is commonly
42 referred to as the Daishowa property, but has not yet
43 incorporated the added space into an improved inter-island cargo



1 terminal or reinforced Pier 40E to create an additional barge
2 loading position; and

3
4 WHEREAS, with respect to neighbor island harbors, the
5 Hawaii Harbor Users Group Report identifies Kahului and Hilo
6 harbors as the facilities in the most critical need of
7 improvements, and recommends improvements to Kahului and Hilo
8 Harbors as being absolutely critical to the timely delivery of
9 essential cargo to the Big Island and Maui communities and to
10 the economic vitality of these communities; and

11
12 WHEREAS, with respect to Kahului Harbor, the Hawaii Harbor
13 Users Group Report:

- 14
- 15 (1) Identifies the demand stresses on the harbor resulting
16 from the growth in Neighbor Island container traffic
17 handled by Matson Navigation Company and Young
18 Brothers, Limited and, in addition, the introduction
19 of inter-island ferry service in 2007;
20
 - 21 (2) Makes findings that: (A) the harbor capacity
22 situation on Maui is considered the most critical of
23 all the neighbor islands; (B) the combination of
24 rising cargo volumes and increased passenger activity
25 brings Maui closer and closer to the point at which
26 service breakdowns and delivery disruptions can be
27 expected and; (C) although the time when major
28 disruptions will occur cannot be predicted precisely,
29 small scale negative impacts of congestion involving
30 increased costs and cargo delays at the port are
31 probably already happening;
32
 - 33 (3) States that the currently planned location of the
34 Hawaii Superferry will significantly impact the
35 ongoing inter-island cargo operation of Young
36 Brothers, Limited unless a variety of other
37 improvements in facilities and adjustments to
38 operations are made at the Kahului port;
39
 - 40 (4) States that Young Brothers Limited's loss of berth
41 availability to the Hawaii Superferry and commingling
42 of ferry and commercial cargo traffic at Pier 2B will
43 disrupt and decrease the efficiency of Young Brothers,



1 Limited's operation and create safety hazards for both
2 Young Brothers, Limited and ferry users;

3
4 (5) Concludes that the severity of the problem and the
5 magnitude of the consequences make creation of new
6 port capacity on Maui one of the top strategic
7 priorities for Hawaiian port development; and
8

9 (6) Recommends the following as to the Pier 2 landside
10 areas: (A) move the cement tanks out of Pier 2; (B)
11 close Ala Luina street; and (C) acquire and
12 incorporate into an expanded inter-island cargo
13 terminal the four acres of land currently owned by A&B
14 Properties, Inc., already designated by A&B
15 Properties, Inc. for harbor use and sometimes referred
16 to as the "Railroad Building" and "Old Kahului Store"
17 properties; and (D) and clear and harden the property
18 to increase the inter-island container and cargo
19 operational area;

20
21 and
22

23 WHEREAS, even in the absence of the need to replace cargo
24 areas being reallocated to support ferry operations at Pier 2
25 and cruise operations at Pier 1, more space is needed to
26 accommodate expanding container and cargo operations at Kahului
27 Harbor; and
28

29 WHEREAS, with respect to Hilo Harbor, the Hawaii Harbor
30 Users Group Report:
31

32 (1) Identifies demand stresses on the harbor including the
33 demand stress resulting from commingling of cruise
34 vessel and cargo operations;

35
36 (2) Recognizes that the "growth of the NCL's United
37 States-flag cruise business of NCL America, Inc. is
38 remarkable" and that cruise vessel berth hours will
39 more than double at Hilo;

40
41 (3) Concludes that the presence of cruise vessels in the
42 midst of cargo operations results in frequent inter-
43 mixing of cruise passenger arrival and departure
44 traffic with both on-terminal tractors and lifting



1 equipment, and road trucks that are making pickups and
2 deliveries to the port at Hilo Harbor, with a
3 recommendation from a safety and security perspective
4 for these types of activities to be separated as much
5 as possible;

6
7 (4) Identifies the deteriorating strength of the paved
8 surface in the inter-island container yard at the Hilo
9 Harbor on the Big Island as a major safety
10 consideration;

11
12 (5) Recognizes that projects slated for Hilo Harbor in the
13 2020 Master Plan include the development of a new Pier
14 4 for inter-island cargo, which includes dredging,
15 construction of Pier 4 and inter-island cargo yard
16 improvements, and that planning for these improvements
17 is ongoing but that construction of these Department
18 of Transportation-recommended harbor improvements has
19 not yet commenced; and

20
21 (6) Recommends completing as soon as possible the planned
22 Pier 4 cargo facility in order to meet the
23 transportation needs of the State, as part of the
24 needed solution of separating cargo and passenger
25 operations and developing adequate and safe inter-
26 island cargo operation facilities;

27
28 and

29
30 WHEREAS, the Hawaii Harbor Users Group and the Department
31 of Transportation are requested to add construction and
32 improvements for needed ferry terminal development to Nawilili
33 Harbor on Kauai, known as the Pier 3 Dolphin Project; now,
34 therefore,

35
36 BE IT RESOLVED by the Senate of the Twenty-third
37 Legislature of the State of Hawaii, Regular Session of 2006, the
38 House of Representatives concurring, that the Legislature
39 commends and congratulates the Department of Transportation and
40 Hawaii Harbor Users Group for their work, coordination and
41 cooperation in completing the Hawaii Harbor Users Group Report;
42 and
43



1 BE IT FURTHER RESOLVED that the Department of
2 Transportation is requested to implement the recommendations of
3 the Hawaii Harbor Users Group Report that require action by the
4 department, giving priority to the development priorities for
5 the new planned Pier 4 at Hilo Harbor, the improvements to
6 inter-island cargo facilities at Kahului Harbor; and the
7 development of Kapalama Military Reservation at Honolulu Harbor;
8 and
9

10 BE IT FURTHER RESOLVED that, in particular, the Department
11 of Transportation is requested to do the following:
12

13 (1) With respect to Kapalama Military Reservation at
14 Honolulu Harbor: (A) complete plans to redevelop the
15 Kapalama Military Reservation site as a container
16 terminal, expand pier space in the area, dredge nearby
17 harbor space, and create the infrastructure necessary
18 to support major container cargo operations; (B)
19 commence necessary construction by 2010; and (C) keep
20 current tenants apprised of the development schedule
21 so that the tenants may timely find new space
22 (collectively, the "Kapalama Military Reservation
23 Redevelopment");
24

25 (2) With respect to inter-island cargo facilities at
26 Honolulu Harbor, incorporate what is commonly referred
27 to as the Daishowa property into an improved inter-
28 island cargo terminal and reinforce Pier 40E to create
29 an additional barge loading position to be suitable
30 for using 40-ton lift equipment (collectively, "the
31 Honolulu Harbor Pier 40 Improvements");
32

33 (3) With respect to Kahului Harbor, repair, improve, and
34 develop Kahului Harbor facilities, including by taking
35 the following measures:
36

37 (A) Relocate cement storage silos presently located
38 within the inter-island cargo operational area,
39 in order to prevent safety risks and increase
40 cargo operation efficiency;
41

42 (B) Expand landside space to accommodate increasing
43 volume of container and cargo operations; replace
44 landside space lost to provide security zones and



1 access routes to cruise ships and pier and
2 landside space to be lost to the Hawaii
3 Superferry and, in particular, to close and
4 harden Ala Luina Street to incorporate it into
5 the inter-island cargo yard; to acquire
6 approximately four acres of land owned by A&B
7 Properties, Inc., sometimes referred to as the
8 "Railroad Building" and "Old Kahului Store"
9 properties, and to clear and harden the property
10 to increase the inter-island container and cargo
11 operational area (collectively, the "Kahului
12 Harbor Pier 2 Improvements"); and
13

- 14 (4) With respect to Hilo Harbor, complete the planned
15 construction of the new Pier 4 inter-island cargo
16 terminal facility at Hilo Harbor, including required
17 dredging by or before December 2007, construction of
18 the new Pier 4 by or before April 2008, and
19 construction of new cargo yard improvements by or
20 before October 2009 (collectively, the "Hilo Harbor
21 Pier 4 Improvements");
22

23 and
24

25 BE IT FURTHER RESOLVED that the Hawaii Harbor Users Group
26 and the Department of Transportation are requested to add
27 construction and improvements for needed ferry terminal
28 development to Nawilili Harbor on Kauai, known as the Pier 3
29 Dolphin Project; and
30

31 BE IT FURTHER RESOLVED that the Department of
32 Transportation is requested to continue to work with the Hawaii
33 Harbor Users Group towards the timely completion of:
34

- 35 (1) Planning and construction of the Kapalama Military
36 Reservation Redevelopment;
37
38 (2) Honolulu Harbor Pier 40 Improvements;
39
40 (3) Kahului Harbor Pier 2 Improvements; and
41
42 (4) Hilo Harbor Pier 4 Improvements, including required
43 dredging by or before December 2007, construction of



1 new Pier 4 by or before April 2008 and construction of
2 new cargo yard improvements by or before October 2009;

3
4 and

5
6 BE IT FURTHER RESOLVED that the Department of
7 Transportation conduct legislative briefings before the House
8 and Senate committees with jurisdiction over transportation at
9 each Regular Session of the Legislature, to include the status
10 of the Kapalama Military Reservation Redevelopment at Honolulu
11 Harbor and the Honolulu Harbor Pier 40 Improvements, the Kahului
12 Harbor Pier 2 Improvements, the Hilo Harbor Pier 4 Improvements,
13 respectively, until these improvements are completed and fully
14 operational; and

15
16 BE IT FURTHER RESOLVED BE IT FURTHER RESOLVED that
17 certified copies of this Concurrent Resolution be transmitted to
18 the Governor, the Director of Transportation, and the Hawaii
19 Harbor Users's Group.

